

Chapter 4

ADVANCE PAYMENTS

4-1. General:

a. **Prohibition Against Advances.** 31 U.S.C. 3324 prohibits payments in advance for delivery of supplies or rendering of services, with certain exceptions.

b. **Authority for Advances:**

(1) Under 10 U.S.C. 2307, advance payments may be made to small business concerns which meet the requirements of law and receive the proper authorizations.

(2) Under certain circumstances, advance payments in negotiated and sealed bid contracts are appropriate under section 305 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. section 255), Public Law 85-804 (50 U.S.C. sections 1431-1434) and Executive Order 10789, November 14, 1958.

4-2. **Advance Payment Policies.** For instructions applicable to advance payment policies and requirements, see Federal Acquisition Regulation (FAR) 32.4.

4-3. Interagency (Interdepartmental) Supplies and Services:

a. **General Policy.** 31 U.S.C. 1535 and 1536 authorizes the various government agencies to enter into transactions with each other when it is found to be in the best interest of the government. This applies when one agency is better equipped to acquire or furnish goods or services than another and the items involved cannot be furnished as conveniently or cheaply by private enterprise.

(1) Orders placed under this section are obligated upon acceptance in writing by the performing agency provided acceptance is while the funds are available for obligation (see AFR 170-8, paragraph 20).

(2) Each activity making an advance under this section accomplishes and monitors all aspects of the advance (see AFR 172-1, volume 1, chapter 7, section C).

b. **Leased Office Space.** One agency may furnish another agency a portion of its leased office space and payment may be made in advance, or on any other basis agreed upon, for the proportionate cost of the space, utilities, and services furnished.

4-4. **Subscriptions to Periodicals.** Subscriptions or other charges for newspapers, magazines, periodicals, microfilm libraries, and other publications for official use may be paid in advance when advantageous for economy or otherwise (57 Comp Gen 583 and 35 Comp Gen 404). The total cost of the subscription is a valid charge to the appropriation for the fiscal year (FY) current at the time the subscription is ordered. Subscriptions may extend beyond current FY, begin in a subsequent FY or extend for more than 1 FY (23 Comp Gen 326; and 24 Comp Gen 163). Pay based on invoices described in paragraph 14-9a(11).

4-5. **Publication Orders.** All indexed publications are available through the Air Force Publication Distribution Office (PDO) system without charge. Orders placed with government agencies for publications not included in the government index of publications resulting in a total cost of less than \$25 are paid in advance. Base these advance payments on the most current cost figures available and order on DD Form 1155, Order for Supplies or Services/Request for Quotations or SF 1034, Public Voucher for Purchases and Services Other Than Personal. Forward a Treasury check with the order for publications.

4-6. Rental of Post Office Boxes and Purchase of Foreign and Canal Zone Postage:

a. **Advance payment of post office (PO) box rental** is authorized on an annual basis (25 Comp Gen 834). A PO box rented before the beginning of the fiscal quarter must be rented for no less than a full quarter. The United States Postal Service will not refund a portion of the rental if the box is surrendered before the end of the rental period. This policy applies whether the advance payment of PO box rental was made on a quarterly or annual basis (34 Comp Gen 191). The United States Postal Service bills on their Notice No. 32. Upon receipt of this notice, line through the space provided for the Postmaster's signature and attach to the SF 1034 or SF 1060, Voucher for Transfers Between

Appropriations and/or Funds, used for payment. Make payments payable to "Postmaster."

b. Foreign (including Republic of Panama) postage stamps may be purchased from imprest funds or by SF 1034. When an SF 1034 is used, the administrative office prepares and certifies the voucher and forwards it to the accounting and finance office without the payees signature. The accounting and finance office prepares a check and sends it to the administrative office. The administrative office purchases the stamps and provides the accounting and finance office with a receiving report. No receipt is necessary as the check endorsement acknowledges payment. When the SF 1034 is used, the prepayment is approved as an exception to normal accounting requirements.

4-7. Payments to State and Local Governments. Advance payments may generally be made to state or local governments. See 39 Comp Gen 285; 25 Comp Gen 834; 58 Comp Gen 29; and 57 Comp Gen 399.

4-8. Tuition. Payments of tuition may be made to civilian educational institutions when the course begins, or otherwise, as provided by the rules of the institution for its students. (10 U.S.C. 2395; 41 Comp Gen 626). Enrollments in correspondence courses may also be paid in advance. Make payments for:

a. Military personnel enrolled with civilian educational institutions under Air Force contracts or DD Form 1556, Request, Authorization, Agreement, Certification of Training and Reimbursement, arrangements on a fully-funded basis. Such payments may cover the full tuition, books, and supplies when required for military training and proficiency.

b. Military personnel enrolled with civilian educational institutions under partially-funded tuition assistance. See AFR 213-1, chapter 3, for procedures on payment of tuition assistance supported by AF Form 1227, Authority for Tuition Assistance-Education Services Program. Accrued expenditures for tuition are recorded during the period which the course begins. The course beginning date must be entered on the AF Form 1227 provided to accounting and finance per instructions on AF Form 616, Fund Cite Authorization (FCA).

c. Dependents of military and civilian personnel of the DOD in the Pacific school area,

when determined to be eligible by appropriate dependents school officials, who enroll in local tuition-fee schools in that overseas area.

d. Civilian employees of the Air Force authorized by the Secretary of the Air Force to enroll with civilian educational institutions. Use DD Form 1556.

e. AFIT Students-Release From Selection. See AFM 50 5 for procedures for reimbursements to the Air Force for advance payment of tuition registration fees and deposits by students who have been granted release from selection by AFMPC.

f. Civilian employees of the Air Force authorized training by AFR 40-410 through AF Form 9, Request for Purchase, or DD Form 1556 arrangements. When AF Form 9 is used, certification of fund availability must be accomplished by authorized personnel in the accounting and finance office.

4-9. Foreign Country Requirements:

a. Statutory Authority. 10 U.S.C. 2396 authorizes advances of public monies as:

(1) Per the laws of foreign countries or their ministerial regulations.

(2) For rent in foreign countries for such periods as local custom dictates.

b. Motor Vehicle Operator Permit Fees Overseas. Some foreign countries require Air Force personnel to obtain motor vehicle driver permits to perform their official duties. The fees for the permits may be paid in advance. The tour of duty in the foreign country should justify the expenditure (Comp Gen B-115463, 18 Sep 1953).

c. Counsel Fees and Other Expenses in Foreign Courts:

(1) Payment of counsel fees and other expenses in foreign courts may be paid before the service is performed.

(2) Requests for payment of counsel, bail, or other expenses will ordinarily be made by the defendant, or accused, to the officer (or designee) exercising general courts martial jurisdiction. The officer (or designee) determines if the request meets the criteria in AFR 110-12 and takes final approval or disapproval action.

(3) When appropriate, AFR 110-12 provides for contracts or letters of commission and understandings to obligate the Air Force for payment of counsel fees, court costs, bail, charges for obtaining copies of records, printing and

tiling fees, interpreter fees, witness fees, and other necessary and reasonable expenses. The payment of fines or civil damages is not authorized. Payments of bail may be made when authorized in letter or message by the responsible officer and citing 10 U.S.C. 1037 as the authority. For payments of bail, establish a refund receivable pending return of the bail payment. Clear the refund receivable upon collection, or appropriate evidence that the bail payment will not be refunded. Before posting of bail, members must sign an agreement to refund the government the amount of the bail, either in cash or payroll deduction, if they willfully cause forfeiture of the bail. See AFR 110-12, paragraph 2-10.

(4) The responsible officer certifies the acceptance of the services acquired per AFR 110-12. Prepare SF 1034 for payment of authorized charges from base operations and maintenance (O&M) funds. Payment will be made in local currency.

4-10. **COD Charges.** The payment of COD charges in cash before examination of the contents is authorized. This applies when the purchases are made from imprest funds (32 Comp Gen 563).

4-11. **Purchase of Copyrights or License To Use Patent for Its Life.** An advance payment may be made for a license to use a patent or for the purchase of a copyright. The subject matter of the purchase must be within the authorization of the current FY appropriation (22 Comp Gen 904) (see paragraph 21-28).

4-12. **Utility Connection Charges.** Payment of a public utility installation or connection charge is not an advance payment. The government receives full consideration upon payment, that is, the making available of services not otherwise available. Connection charges are later reimbursable by a specified monthly refund on the invoice for utility services. See paragraph 14-13.

4-13. **Petition Fees.** When the Air Force petitions for immigrant status for a person whose services are required, the fee must accompany the petition. In this case the fee is payable in advance.

4-14. **Professional Societies.** Memberships in professional societies or associations acquired in the name of the Air Force may be paid in advance. The purpose of the membership must be to acquire services required for the Air Force. Secretary of the Air Force, MAJCOM Commanders, or their designees make the determination (see AFR 30-9). The use of appropriated funds is prohibited for the individual benefit of any officer or employee of the Air Force (see 5 U.S.C. 5946; 31 Comp Gen 398; 32 Comp Gen 15; 24 Comp Gen 814; 33 Comp Gen 126).

4-15. **Attendance at Meetings:**

a. Payment before attendance at meetings of technical, scientific, professional, or similar organizations may be made. The organization is obliged upon receipt of payment to reserve a space and comply with the contract. Use the appropriation available for travel (57*3400, 57*3500, 57*3600) for payment of expense of attendance (5 U.S.C. 4110 and 37 U.S.C. 412; see AFR 30-9). Use BEIC 553 or 592 as applicable.

b. If the payment is nonrefundable and the individual fails to attend for reasons beyond the individual's control, do not collect from the individual. However, collect if failure to attend is caused by an action not excused by the individual's superior.

4-16. **Quarterly Advances to General Services Administration (GSA) for Special Purpose Leased Space.** The GSA bills for building rent in advance each quarter using GSA Form 789, Statement Voucher and Schedule of Withdrawals and Credits, or other similar billing form. The charge is at a fixed rate per square foot of space assigned based on costs of building operation and maintenance. Separate cost factors for utilities, rent, elevator service, etc., need not be itemized on the bill. Charge the rent to expense as a normal operating cost.

4-17. **Grants.** Grants may be made pursuant to grant agreements authorized by 31 U.S.C. 6301. The documentation required is detailed in directives issued by the Office of Management and Budget (OMB) covering specific types of grants. Accounting procedures for grant advances are included in paragraph 17-14e. Base liquidation of these advances on the reports submitted by the recipient and certified by the contracting officer. A negotiated payment sched-

ule may be used when the schedule closely approximates the recipients current needs. The contracting officer determines all reporting requirements for the recipient when the grant is being negotiated.

4-18. **Library Deposit Accounting With Other Government Agencies.** Libraries that obtain government publications and subscriptions from other government agencies (National Technical Information Service, United States Government Printing Office, Library of Congress, etc.) may establish deposit accounts with these agencies. Use the following procedures to establish a deposit account:

a. For local operations and maintenance (O&M) funds:

(1) The librarian forwards a properly prepared SF 1034 through the resource advisor and the base budget office for review. The SF 1034 should state "for deposits only to new deposit account" or "to replenish previously established deposit account" and show the account number.

(2) The accounting and finance office forwards a copy of the SF 1034 with the check to the named government agency (payee). The government agency credits payment to the account. These advance payments are processed per paragraph 4-3. Libraries process orders for publications and subscriptions from other government agencies per AFR 172-1, volume 1, chapter 7.

b. For central technical publication funds, the librarian forwards a properly prepared SF 1034 through command channels to the Specialized Equipment Support Section of the Aeronautical Systems Center, ASC/PKWRE, Wright-Patterson AFB, OH 45433-5309.

4-19. **Criminal History Background Checks on Employees in Child Care Services.** Criminal history background checks are required for individuals in child care positions per 42 U.S.C. 13041.

a. The Civilian Personnel Office (CPO) or Human Resource Office (HRO) will prepare the voucher and the state criminal history repository-check request package and will forward both to the accounting and finance office for processing and submission to the appropriate state agency.

b. Based on local policy, use the funds supporting the organization where the individual will be employed, or funds supporting the CPO or HRO appropriated fund applicants/employees.

c. Appropriated funds may be used for nonappropriated fund applicants/employees in category A and B activities. Use the funds supporting the CPO or HRO.